



Department of Defense DIRECTIVE

NUMBER 1304.21

July 22, 1996

Incorporating Change 1, January 20, 1998

ASD(FMP)

SUBJECT: Enlistment and Reenlistment Bonuses for Active Members

References: (a) Sections 301c, 308, 308a, 308f and 312a of title 37, United States Code

(b) DoD Directive 1304.21, "Award of Enlisted Personnel Bonuses and Special Duty Assignment Pay," August 2, 1985 (hereby canceled)

(c) *Section 101(d)(6) of title 10, United States Code*

(d) *DoD Instruction 1304.22, Administration of Enlisted Personnel Bonus and Special Duty Assignment Pay Programs," August 7, 1985*

1. REISSUANCE AND PURPOSE

This Directive:

1.1. Updates policy and assigns responsibilities under reference (a) for the administration of enlistment and reenlistment bonuses to active enlisted members of the Military Services.

1.2. Reissues reference (b) with updated policy and responsibilities for awarding enlistment and reenlistment bonuses to active enlisted members of the Military Services.

2. APPLICABILITY

This Directive applies to the Office of the Secretary of Defense, the Military Departments (including the Coast Guard when it is not operating as a Military Service in the Navy by agreement with the Department of Transportation), the Chairman of the

Joint Chiefs of Staff, the Defense Agencies, and the DoD Field Activities (hereafter referred to collectively as "the DoD Components"). The term "Military Services," as used herein, refers to the Army, the Navy, the Air Force, and the Marine Corps.

3. DEFINITION

Military Specialty. An element of the enlisted classification structure (such as military occupational specialty, Air Force specialty, and Navy enlisted classification, as appropriate to the Military Service concerned) that identifies an individual position or a group of closely related positions on the basis of the similarity of the duties involved. It is also the primary identifier of individuals who possess the ability, knowledge, and other occupational qualifications required for effective performance in such positions. It provides occupational standards for procurement, training, classification, assignment, and career development; identifies military skills so closely related that a degree of interchangeability exists between members assigned to the military specialty; and provides a normal career progression pattern for members within that military specialty.

4. POLICY

4.1. General

4.1.1. The intent of bonuses is to influence personnel inventories in specific situations in which less costly methods have proven inadequate or impractical. Therefore, the Department of Defense must exercise this authority in the most cost-effective manner, considering bonus employment in relation to overall skill, training, and utilization requirements. It is inefficient and wasteful to authorize bonuses when less costly actions with equal effectiveness are available; conversely, failure to give bonuses when they are the only recourse would be ineffective management. Monetary enlistment and reenlistment incentives are only one element of personnel inventory control; they are not a substitute for good planning and management.

4.1.2. Sections 308, 308a, and 308f of 37 U.S.C. (reference (a)) provide the legislative authority for enlistment and reenlistment bonuses. Military Services shall not make new awards past the expiration date in law if the Congress does not renew or extend the authority to do so. However, bonus installment payments shall continue as entitlements to those payments vested when the member reenlisted or entered into a qualifying extension of enlistment.

4.1.3. The Military Services shall pay enlistment and reenlistment bonuses in addition to any other pay and allowances to which a member is entitled.

4.1.4. The Military Services shall not pay a member an enlistment bonus and a reenlistment bonus for the same period of service.

4.1.5. At the time bonus eligibility is established, members shall sign a written statement that they were advised of and understand the conditions under which continued entitlement to unpaid installments may be terminated and a pro rata portion of advance bonus payments recouped. That statement shall also specify clearly the terms of the active service commitment the members incur as a result of the bonus payment.

4.1.6. Each Military Service shall establish procedures to limit out-of-skill assignments of bonus recipients. Military personnel centers shall establish procedures to identify and review out-of-skill assignments. The Services should assign recipients of bonuses in the military specialty for which the bonus was awarded to the maximum extent practicable (including normal skill progression as defined in Service classification manuals or service in a comparable specialty). The Services shall clearly justify waivers. Waivers should not be submitted on a routine basis.

4.2. Enlistment Bonus

4.2.1. Purpose. The enlistment bonus is a monetary incentive paid to individuals enlisting in a Military Service for duty in a specific military specialty experiencing critical personnel shortages.

4.2.2. Eligibility

4.2.2.1. Except as in subparagraph 4.2.2.2., below, an individual who enlists in the active component *or Reserve component (if performing Active Guard and Reserve duty as defined in Section 101(d)(6) of 10 U.S.C. (reference (c)))* of a Military Service for a period of at least 4 years in a military specialty that is designated as "critical," or who extends his or her initial enlistment period of active duty in that Armed Force to a total of at least 4 years in a military specialty designated as "critical," may receive a bonus in an amount prescribed by the Secretary of the Military Department. The individual concerned shall serve in the designated military specialty, or in a comparable military specialty approved by the Assistant Secretary of Defense for Force Management Policy (ASD(FMP)) for the full period of the enlistment.

4.2.2.2. Under regulations prescribed by the Secretary of the Army, as authorized by Section 308f of 37 U.S.C. (reference (a)), an individual who is a high school graduate (or has received a high school education equivalency certificate); whose score on the Armed Forces Qualification Test is at or above the fiftieth percentile; and who enlists in the Army for a period of at least 3 years in a military specialty designated

as "critical" may be paid a bonus in an amount prescribed by the Secretary of the Army not to exceed \$4,000.

4.2.3. Amount and Method of Payment. The maximum amount of enlistment bonus an eligible member may receive shall not exceed \$12,000. The Secretary of the Military Department concerned shall establish the amount paid for the member's military specialty and the method of payment, in accordance with DoD Instruction 1304.22 (*reference (d)*). The first installment may not exceed \$7,000, and the remainder shall be paid in equal periodic installments no less frequently than once every 3 months.

4.2.4. Recoupment. A member who voluntarily or because of his or her misconduct does not complete the term of enlistment for which a bonus was paid under Section 308a of reference (a), or a member who is not qualified technically in the military specialty for which a bonus was paid under Section 308a of reference (a) after June 30, 1977 (other than a member who is not qualified because of injury, illness, or other impairment not the result of his or her misconduct), shall refund that percentage of the bonus that represents the unexpired part of the total enlistment period for which the bonus was paid.

4.3. Selective Reenlistment Bonus

4.3.1. Purpose. The selective reenlistment bonus is a retention incentive paid to enlisted members serving in certain selected military specialties who reenlist for additional obligated service. The bonus is intended to encourage the reenlistment of sufficient numbers of qualified enlisted personnel in critical military specialties with high training costs or demonstrated retention shortfalls in the Military Services.

4.3.2. Eligibility. A member of a Military Service who has completed at least 21 months of continuous active duty (other than active duty for training as a Reservist), but not more than 14 years of active duty; is qualified in a military specialty that is designated as "critical" by the Secretary of Defense, or by the Secretary of Transportation for the Coast Guard when it is not operating as a Service in the Navy; is not receiving special pay under Section 312a of 37 U.S.C. (reference (a)); and reenlists or voluntarily extends his or her enlistment in a regular component of the Service concerned for a period of at least 3 years, may receive a bonus in the amount prescribed by the Secretary concerned within the limits specified in subparagraph 4.3.3., below. The individual concerned shall serve in the designated military specialty, or in a comparable military specialty approved by the ASD(FMP), for the full period of the reenlistment or enlistment, as extended.

4.3.3. Amount and Method of Payment. The maximum amount of each selective reenlistment bonus that an eligible member may receive is outlined in subparagraph 4.3.3.1., below. Bonus payments may be either lump sum or installments. If the bonus is paid in installments, the Military Services shall pay not less than 50 percent of the total bonus amount in a lump sum at the beginning of the period for which the bonus is paid, with the remaining amount paid in equal annual installments. However, not more than 10 percent of the members receiving selective reenlistment bonuses awarded during any fiscal year shall exceed \$20,000, under Section 308 of reference (a).

4.3.3.1. The amount of the selective reenlistment bonus is based on the member's basic pay, years of reenlistment or extension, and military specialty criticality. A reenlistment bonus may not exceed the lesser of the following amounts:

4.3.3.1.1. An amount equal to the product of the following:

4.3.3.1.1.1. Ten times the monthly rate of the basic pay to which a member was entitled at the time of discharge, release from active duty, or commencement of an extension (unless specific direction to use other pay rates has been received from Congress).

4.3.3.1.1.2. The number of years (or the monthly fraction thereof) of the term of reenlistment or extension of enlistment, not to exceed 6.

4.3.3.1.2. \$45,000.

4.3.3.2. Obligated active service in excess of 16 years may not be counted in determining the amount of a reenlistment bonus.

4.3.3.3. For determining the eligibility of a member for a selective reenlistment bonus and of computing the amount of that bonus under regulations prescribed by the Secretary of the Military Department concerned, the following may be considered as part of an immediately subsequent term of reenlistment (or a part of an immediately subsequent voluntary extension of an enlistment):

4.3.3.3.1. Any period of enlistment (including any extension of an enlistment) that is incurred by a member for continuing to qualify for continuous submarine duty incentive pay under Section 301c of 37 U.S.C.(reference (a)), and for which no bonus is otherwise payable; or

4.3.3.3.2. Any unserved period of 2 years or less of an extension of an enlistment for which no bonus has been paid or for which no bonus is otherwise payable, provided the immediately subsequent term of reenlistment or immediately subsequent voluntary extension of an enlistment provides additional obligated service of at least 2 years.

4.4. Recoupment. A member who voluntarily, or because of his or her misconduct, does not complete the term of reenlistment or extension of enlistment for which a bonus was paid under Section 308a of reference (a), or a member who is not qualified technically in the military specialty for which the bonus was paid under Section 308a of reference (a) after June 30, 1977 (other than a member who is not qualified because of injury, illness, or other impairment not the result of misconduct), shall refund that percentage of the bonus that represents the unexpired part of his or her additional obligated service for which the bonus was paid.

5. RESPONSIBILITIES

5.1. The Assistant Secretary of Defense for Force Management Policy, under the Under Secretary of Defense for Personnel and Readiness, shall provide overall guidance in the administration of the enlisted personnel bonus programs and shall:

5.1.1. Recommend to the Secretary of Defense policies to be included in annual program guidance on the enlisted personnel bonus programs.

5.1.2. Establish procedures for administration of enlisted personnel bonus programs, including:

5.1.2.1. Criteria for designating military skills for the awards.

5.1.2.2. Criteria for individual member eligibility for awards.

5.1.2.3. Reporting and data requirements for review and evaluation of annual programs and individual requests for military skill designations.

5.1.3. Review and evaluate annually the enlisted personnel bonus programs of the Military Departments with the Program Objective Memorandum cycle, and recommend to the Secretary of Defense measures required to attain the most efficient use of resources devoted to them.

5.1.4. Review annually the criteria for designation of military skills and make those revisions required to attain specific policy objectives.

5.1.5. Evaluate and take appropriate action on requests for exception to the criteria for designation of military skills.

5.2. The Secretaries of the Military Departments shall:

5.2.1. Administer the enlisted personnel bonus programs for the Military Services under their jurisdiction, in accordance with this Directive, DoD Instruction 1304.22 (*reference (d)*), and within the funds approved by the Secretary of Defense for each program, as amended during the budget cycle or by congressional action.

5.2.2. Designate military skills eligible for the enlistment bonus and selective reenlistment bonus consistent with the criteria and procedures outlined in *reference (d)*.

5.2.3. Submit data for program review, analysis of military skill designations, and budget requests in accordance with *reference (d)*.

5.2.4. Recommend to the ASD(FMP):

5.2.4.1. Changes in the criteria for designating military skills, as needed, to attain policy objectives.

5.2.4.2. Exceptions to the criteria for designation of military skills, or exceptions to the individual eligibility criteria when special considerations relevant to attaining policy objectives so indicate.

5.2.5. Conduct appropriate publicity campaigns to ensure that potential enlistees and members are aware fully of the purpose and availability of enlistment and reenlistment bonuses and the individual eligibility criteria for award.

6. EFFECTIVE DATE

This Directive is effective immediately.

A handwritten signature in black ink, appearing to read "John P. White", is written over a horizontal line.

John P. White
Deputy Secretary of Defense